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Kiwara PLC

26 June 2009

KIWARA PLC ("Kiwara" or the "Company" or the "Group")

**AUDITED PRELIMINARY RESULTS
FOR THE YEAR ENDED 31 MARCH 2009, NOTICE OF ANNUAL GENERAL
MEETING AND POSTING OF THE ANNUAL REPORT**

(COMPANY NO: 1760458)

Chairman's Statement

Dear Shareholder

The year under review has been a testing year, but nonetheless an exciting and successful one for the Group. The period commenced with exceptional results from exploration activities followed by a consolidation of our direction and recognition that our licence area contains a multitude of opportunities which warranted further examination. Kiwara largely escaped the demise of the junior mining share market with limited erosion to shareholder value. Despite maintaining a strong market capitalisation, the opportunity for Kiwara to raise funds, irrespective of price, was scarce. Consequently, during the latter part of the period under review operations were confined to the completion of drill core sampling from the 2008 exploration programme and logging of historically drilled core to provide data for modelling to produce an initial mineral resource estimate.

The major highlight of the year was the news release dated 23 September 2008 detailing the results of two boreholes drilled approximately 900 metres apart to test the Kawako Nickel occurrence. The bore holes intersected long runs of exceptionally high grade Nickel mineralisation. The discovery was very significant in that the potential strike length of the mineralised structure is long and the petrographic work supports the reported high grade results. The company will shortly carry out ground geophysics and further drilling to extend strike, dip and continuity of the Kawako mineralisation.

Kalumbila continues to impress with a high ratio of successful boreholes drilled. Management strongly believe that eight kilometres strike length of continuous copper mineralisation exists with potential for at least a further three kilometres, which is supported by geo-chemistry. Kalumbila represents a near surface open pitable target with potential world class tonnage.

Uranium and iron mineralisation have not captured our attention other than for basic work since they have been subordinated by the exciting aforementioned progress at Kawako and Kalumbila. We intend to progress these

targets in the coming year together with other regional copper targets with similar geology to Kawako and Kalumbila within the licence area.

The world, as we junior mining companies know it, fell to pieces during the course of the year and is still in the doldrums of the financial Tsunami which decimated value throughout every aspect of business and life. The reaction has been extreme and governments have acted unequivocally. There are now some suggestions that "green shoots" of recovery are showing.

I am pleased to report that on 29 April 2009, we announced that the International Finance Corporation confirmed that its board would consider an equity investment of US\$6 million in Kiwara subject to various internal approvals. This US\$6 million placement would allow the Company to meaningfully advance its plans and achieve further shareholder value enhancement.

On 17th June 2009, the Company received the independent Ore Resource Statement for Kalumbila which demonstrates the potential of this deposit to contain 1.38 Billion tonnes at 0.78% copper together with nickel and cobalt credits. This excellent result endorses our conviction that Kalumbila is indeed a significant resource. The Company will aggressively move towards closer resource definition and test strike extensions which may potentially enlarge this resource estimate.

The board of Kiwara is optimistic for the mineral targets in our portfolio and for gradual global recovery in demand for both Nickel and Copper. The Company looks forward to aggressively unlocking the value of the two very prospective orebodies.

The profit for the year after exchange gains and taxation was £730,080 (2008: loss of £86,698) equivalent to 0.44 pence (2008 - loss of 0.08 pence) per share. Exploration and evaluation expenses capitalised in the year amounted to £1,953,545. The Company was successful in obtaining a secondary listing on the main board of JSE Limited ("JSE") and the Company's shares were admitted for trading in South Africa on 3 April 2008.

Finally I would like to thank my colleagues in Kiwara for their untiring efforts in producing exceptional results in very difficult and uncertain times.

Colin Bird
Chairman
25 June 2009

Financial review

The profit for the year after taxation was £730,080 (2008: loss of £86,698) equivalent to 0.44 pence (2008 - loss of 0.08 pence) per share. Included in the consolidated profit for the year is an exchange gain of £1,826,108 which represents the unrealised exchange gain that has arisen from the inter-company loan between Kiwara and its wholly owned subsidiary, Kiwara Resources Zambia Ltd ("Kiwara Zambia"). A negative goodwill of £309,900 realised on the acquisition of a 25% interest of Kiwara Zambia from the New Africa Mining Fund and the acquisition of a 5% interest of Kalumbila Minerals Limited from LM Engineering Ltd is also included in the above profit figure.

The operating loss for the year amounted to £1,142,013 (2008: £801,165) and includes the overheads and corporate costs of the business for the year, a one-off fee amounting to £336,347 attributable to the costs of the Company's listing on the JSE on 3 April 2008 and a share-based charge of £142,440 (2008: £200,885) in line with the requirements of IFRS2. The share-based charge relates to share options expensed in the year and has been concurrently credited to reserves resulting in a neutral effect to the net assets of the Group.

Exploration and evaluation expenses capitalised in the year amounted to £1,953,545 (2008: £709,359). These costs primarily relate to the Company's advancing exploration activities at its Kabompo dome projects based in north western Zambia. The ongoing work programme is exploiting advanced technological exploration tools such as ground geophysical surveys, geochem surveys and both reverse circulation and core drilling to significantly increase the geological understanding of the licensed area and to produce a resource estimate for the Kalumbila deposit.

During the year, 5,000,000 ordinary shares of 1p each were issued raising £1,000,000 to fund ongoing drilling and exploration expenses and a further 8,880,796 million ordinary shares of 1p each were issued to the New Africa Mining Fund as consideration for increasing the Group's interest in the Zambian based subsidiary, Kiwara Resources Zambia from 75% to 100%. The total number of ordinary shares outstanding at 31 March 2009 was 174,365,806.

AUDITED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31 March 2009	Year ended 31 March 2008
	£	£
Revenue	-	-
Other revenue	-	-
Administrative expenses	(1,142,013)	(801,165)
Loss from operations	(1,142,013)	(801,165)
Finance income	34,586	44,463
Finance costs	(4)	(41)
Foreign exchange gain	1,745,740	88,146
Other income	309,900	522,309
Profit (Loss) before income tax	948,209	(146,288)
Provision for income tax	-	(86)
Profit (Loss) for the year after income tax	948,209	(146,374)
Minority interests		
Equity	(218,129)	59,676
Profit (Loss) attributable to members of the company	730,080	(86,698)
Basic profit (loss) per share (pence)	0.44	(0.08)
Diluted profit (loss) per share (pence)	0.44	(0.08)
Headline profit (loss) per share (pence)	0.44	(0.08)

All of the Group's activities are classed as continuing.

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2009

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Assets		
Non-current assets		
Intangible assets	15,554,420	13,069,106
Property, plant and equipment	<u>97,376</u>	<u>96,691</u>
Total non-current assets	<u>15,651,796</u>	<u>13,165,797</u>
Current assets		
Trade and other receivables	31,793	41,158
Cash and cash equivalents	472,643	1,824,099
Prepaid expenses and other current assets	<u>35,396</u>	<u>29,189</u>
Total current assets	<u>539,832</u>	<u>1,894,446</u>
Total assets	<u>16,191,628</u>	<u>15,060,243</u>
Current liabilities		
Trade and other payables	<u>75,746</u>	<u>135,760</u>
Total current liabilities	<u>75,746</u>	<u>135,760</u>
Total liabilities	<u>75,746</u>	<u>135,760</u>
Net current assets	<u>464,086</u>	<u>1,758,686</u>
Net assets	<u>16,115,882</u>	<u>14,924,483</u>
Equity		
Called up share capital	6,362,560	6,223,752
Share premium account	8,738,665	7,815,204
Share based payment reserve	343,325	200,885
Currency translation reserve	(1,358,502)	12,744
Other reserves	7,411,656	6,790,000
Retained Earnings	<u>(5,965,848)</u>	<u>(6,719,952)</u>
Equity attributable to equity holders of the company	<u>15,531,856</u>	<u>14,322,633</u>
Minority interests	<u>584,026</u>	<u>601,850</u>
Total equity	<u>16,115,882</u>	<u>14,924,483</u>

COMPANY BALANCE SHEET

AT 31 MARCH 2009

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Assets		
Non-current assets		
Property, plant and equipment	360	1,200
Investments	<u>7,760,000</u>	<u>7,760,000</u>
Total non-current assets	<u>7,760,360</u>	<u>7,761,200</u>
Current assets		
Trade and other receivables	6,625,331	4,362,862
Cash and cash equivalents	448,725	1,797,396
Prepaid expenses and other current assets	<u>11,903</u>	<u>29,189</u>
Total current assets	<u>7,085,959</u>	<u>6,189,447</u>
Total assets	<u>14,846,319</u>	<u>13,950,647</u>

Current liabilities		
Trade and other payables	47,687	52,807
Total current liabilities	<u>47,687</u>	<u>52,807</u>
Total liabilities	<u>47,687</u>	<u>52,807</u>
Net current assets	7,038,272	6,136,640
Net assets	<u>14,798,632</u>	<u>13,897,840</u>
Equity		
Called up share capital	6,362,560	6,223,752
Share premium account	8,738,665	7,815,204
Share based payment reserve	343,325	200,885
Other reserves	7,411,656	6,790,000
Retained Earnings	<u>(8,057,574)</u>	<u>(7,132,001)</u>
Net equity	<u>14,798,632</u>	<u>13,897,840</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AT 31 MARCH 2009

	Attributable to Equity Holders of the Company						Minority Interest	Total
	Share Capital	Share Premium	Share based payment reserve	Currency translation reserve	Other reserves	Retained earnings		
	£	£	£	£	£	£	£	
Balance at 31 March 2006	4,862,000	1,701,741	-	-	-	(6,561,512)	-	2,229
Issue of share capital	86,252	-	-	-	-	-	-	86,252
Premium on issue of share capital	-	608,963	-	-	-	-	-	608,963
Share-based payment charge	-	-	-	-	-	-	-	-
Net loss for the year	-	-	-	-	-	(71,742)	-	(71,742)
Currency translation difference	-	-	-	-	-	-	-	-
Balance at 31 March 2007	<u>4,948,252</u>	<u>2,310,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,633,254)</u>	<u>-</u>	<u>625,702</u>
Issue of share capital	1,275,500	-	-	-	-	-	-	1,275,500
Premium on issue of share capital	-	5,504,500	-	-	-	-	-	5,504,500
Share-based payment charge	-	-	200,885	-	-	-	-	200,885
Net loss for the year	-	-	-	-	-	(86,698)	(59,676)	(146,374)
Addition in minority interest	-	-	-	-	-	-	661,526	661,526
Currency translation difference	-	-	-	12,744	-	-	-	12,744
Other reserves	-	-	-	-	6,790,000	-	-	6,790,000
Balance at 31 March 2008	<u>6,223,752</u>	<u>7,815,204</u>	<u>200,885</u>	<u>12,744</u>	<u>6,790,000</u>	<u>(6,719,952)</u>	<u>601,850</u>	<u>14,924,483</u>
Issue of share capital	138,808	-	-	-	-	-	-	138,808
Premium on issue of	-	923,461	-	-	-	-	-	1,545,117

share capital					621,656		-	
Share-based payment charge	-	-	142,440	-	-	-	-	142,440
Net profit (loss) for the year	-	-	-	-	-	730,080	218,129	948,209
Addition in minority interest	-	-	-	-	-	24,024	(235,953)	(211,929)
Currency translation difference	-	-	-	(1,371,246)	-	-	-	(1,371,246)
Balance at 31 March 2009	6,362,560	8,738,665	343,325	(1,358,502)	7,411,656	(5,965,848)	584,026	16,115,882

CONSOLIDATED CASH FLOW STATEMENT

AT 31 MARCH 2009

	Year ended 31 March 2009	Year ended 31 March 2008
	£	£
Cash flow from operations		
Net profit/(loss) for the year before income tax		
and minority interests	948,209	(146,288)
Depreciation	39,885	47,409
Gain from a bargain purchase	(309,900)	(522,309)
Decrease/(increase) in trade and other receivables	9,366	(41,158)
Increase in prepaid expenses and other current assets	(6,207)	(29,189)
Decrease in trade and other payables	(60,014)	(10,468)
(Decrease)/increase in currency translation reserves	(1,401,520)	13,061
Share based payments	142,440	200,885
Interest received	(34,586)	(44,463)
Net cash outflow from operating activities	(672,327)	(532,520)
Cash flows utilised by investing activities		
Acquisition of subsidiaries, net of cash acquired	(197,845)	(102,189)
Purchase of intangible fixed assets	(1,953,545)	(709,359)
Proceeds from sale of property, plant and equipment	14,898	-
Purchase of property, plant and equipment	(25,194)	(144,416)
Interest received	34,586	44,463
Net cash outflow from investing activities	(2,127,100)	(911,501)
Cash flow from financing activities		
Issue of shares	1,683,925	2,496,277
Decrease in Minority Interest	(235,954)	-
Net cash inflow from financing activities	1,447,971	2,496,277
Net (decrease) increase in cash and cash equivalents	(1,351,456)	1,052,256
Cash and cash equivalents at the beginning of the year	1,824,099	771,843
Cash and cash equivalents at the end of the year	472,643	1,824,099

COMPANY CASH FLOW STATEMENT

AT 31 MARCH 2009

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Cash flow from operations		
Loss for the year	(925,573)	(498,747)
Depreciation	107	600
Increase in trade and other receivables	(2,245,183)	(462,862)
(Increase) decrease in prepaid expenses and other current assets	-	(29,189)
Decrease in trade and other payables	(5,120)	(93,334)
Share based payments	142,440	200,885
Interest received	(29,269)	(44,218)
Net cash outflow from operating activities	(3,062,598)	(926,865)
Cash flows utilised by investing activities		
Purchase of property, plant and equipment	(467)	(1,800)
Proceeds from sale of property, plant and equipment	1,200	-
Interest received	29,269	44,218
Net cash inflow from investing activities	30,002	42,418
Cash flow from financing activities		
Issue of shares	1,683,925	1,910,000
Net cash inflow from financing activities	1,683,925	1,910,000
Net (decrease) increase in cash and cash equivalents	(1,348,671)	1,025,553
Cash and cash equivalents at the beginning of the year	1,797,396	771,843
Cash and cash equivalents at the end of the year	448,725	1,797,396

KIWARA PLC

NOTES TO THE GROUP PROVISIONAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

1. Basis of preparation and accounting policies

The financial information for the year ended 31 March 2009 has been prepared on the historical cost basis and is in accordance with the recognition and measurement criteria of the International Financial Reporting Standards and its Interpretations adopted by the International Accounting Standards Board and the disclosure requirements of IAS34 - Interim Financial Reporting. The accounting policies have been applied consistently throughout the Group and are consistent with those for the financial year ended 31 March 2008.

2. Balance sheet

The value of the Group's exploration and evaluation intangible assets at 31 March 2009 was 1.61 pence per share (2008: 0.63 pence per share), calculated on the weighted average number of shares of 165,540,875 (2008: 111,815,611)

3. Income statement

The headline loss for the financial year 2009 was 0.44 pence (2008: 0.08 pence) calculated on a weighted average number of shares of 165,540,875 (2008: 111,815,611).

There were no dividends paid or declared.

4. Segment reporting

Business segments

The Group's only business segment is the exploration and development of Nickel-Cobalt Copper and Uranium.

Geographical segments

An analysis of the loss on ordinary activities before taxation, net assets and exploration expenditure by geographical area is given below.

	2009	2008
	£	£
Profit (loss) on ordinary activities		
United Kingdom	(615,672)	23,562
Zambia	<u>1,563,881</u>	<u>(169,850)</u>
	<u>948,209</u>	<u>(146,288)</u>
Total profit (loss) before minority interests	<u>948,209</u>	<u>(146,288)</u>
Net assets by location		
United Kingdom	13,516,788	14,433,918
Zambia	<u>2,599,093</u>	<u>490,565</u>
	<u>16,115,881</u>	<u>14,924,483</u>
Exploration expenditure		
Zambia	<u>1,953,545</u>	<u>709,359</u>
Total exploration expenditure	<u>1,953,545</u>	<u>709,359</u>

5. Capital and reserves

The shares issued in the year are detailed below:

Date of issue	Price per share	Number of shares	Aggregate consideration
			£
1 September 2008	20p	5,000,000	1,000,000
1 January 2009	8p	<u>8,880,796</u>	<u>710,464</u>
		<u>13,880,796</u>	<u>1,710,464</u>

Share options and warrants

The Company has granted options to subscribe for ordinary shares of 1p each as follows:

Date granted	Period exercisable	Exercise price per share (pence)	Number of options
3 August 2007	3 August 2007 - 3 August 2014	10	1,000,000
2 October 2007	2 October 2009 - 2 October 2014	17	200,000
20 February 2008	20 February 2008 - 20 February 2015	20	900,000
8 July 2008	8 July 2008 - 8 July 2011	26	2,500,000
23 September 2008	23 September 2008 - 19 September 2018	16	685,000
10 February 2009	10 February 2009 - 19 September 2018	16	100,000

The difference between the issue price of the 8,880,796 ordinary shares of 1p each issued and the nominal value of the shares allotted to New Africa Mining Fund on 13 January 2009 as part of a share exchange has been credited to a merger reserve account entitled "other reserves" in accordance with the merger relief provisions of the Companies Act 1985 and accordingly no share premium was set up for this transactions. The amount credited to other reserves amounted to £621,556 in the year and a reconciliation of other reserves is shown in the Statement of Change in Equity.

6. Financial statements

The preliminary financial statements have been audited by Saffery Champness who have provided an unqualified audit report which report is available for inspection at the Company's registered office. Audited financial statements compliant with the Companies Act and International Financial Reporting Standards IFRS will be issued to shareholders on 27 June 2009 and will be available to view at the Company's website www.kiwara.co.uk

7. Directorate

There have been no changes in the board of directors during the year ended 31 March 2009.

8. Notice of the annual general meeting and posting of annual report

The annual report will be posted to shareholders on 29 June 2009 and will be available to view at the Company's website www.kiwara.co.uk

Notice is hereby given that the annual general meeting of the Company will be held at Rembrandt Hotel, 11 Thurloe Place, Knightsbridge, London, SW7 2RS to transact the following business on 18 September 2009 to transact the business as stated in the annual general meeting notice forming part of the annual financial statements.

Signed on behalf of the board

Colin Bird
Chairman

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